

ANALYZING CREDIT NEEDS AND GRADUATION OF BORROWERS

I GENERAL: This Instruction supplements FmHA Instruction 1951-F, Analyzing Credit Needs and Graduation of Borrowers, and is issued to provide State Instructions required to implement the policies, authorizations and processing of orderly graduation reviews for Community Programs loans.

II PARAGRAPH 1951.261 (b) (1) (ii), THE GRADUATION REVIEW PERIOD (COMMUNITY PROGRAMS). The State Office, using the Rural Community Facilities Tracking System (RCFTS), will prepare a list for each District Office by March 1 of each year, indicating borrowers who have been indebted for at least 6 years for Community Program loans.

A The graduation review will be completed by each District Office on or before September 1 each year.

B For those borrowers who will be requested to graduate, Form FmHA 1951-24, "Results of Borrower Graduation Review", will be prepared by the servicing official by October 1 each year. The servicing official will submit a copy of this form, along with supporting documentation, to the State Director prior to making the request for a borrower to graduate and prior to execution of the form.

C The State Director will review all Forms FmHA 1951-24 by November 1 of each year and written responses will be forwarded to the servicing official.

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